

STATE OF MICHIGAN
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
BEFORE THE STATE BOUNDARY COMMISSION

In the matter of:

Boundary Commission
Docket #95-AR-3

**The proposed annexation of
territory in Richmond Township
to the City of Richmond.**

SUMMARY OF PROCEEDINGS, FINDINGS OF FACT AND ORDER

This matter of proposed annexation of the following territory situated in Richmond Township to the City of Richmond and described as follows:

Part of Section 36. Town 5 North, Range 14 East. Richmond Township, Macomb County, Michigan described as Beginning at the Southeast corner of Section 36, thence North along the East Section line to the Northeast corner of Section 36; thence West along the North line of Section 36 to a point where the West 1/8 line intersects the North line of Section 36 (also known as the existing point of the City of Richmond and Richmond Township boundary on the Northern Section line); thence South along the existing City of Richmond/Richmond Township boundary line to a point on the North line of lands annexed to the City of Richmond as filed in the office of the Secretary of State on July 8, 1994; thence East along the existing City of Richmond/Richmond Township boundary line to the Northwesterly line of the Grand Trunk Western Railroad Right of way; thence Southwesterly along said Northwesterly line of the Railroad and the existing City of Richmond/Richmond Township boundary line to an intersection with the South line of Section 36; thence East along the South line of Section 36 back to the Southeast corner of Section 36 and the Point of Beginning.

SUMMARY OF PROCEEDINGS

- A. On **April 10, 1995**, a petition was filed requesting the annexation of certain territory in Richmond Township to the City of Richmond.
- B. On **August 22, 1995**, an adjudicative meeting was held to determine legal sufficiency and the petition was found to be legally sufficient pursuant to Public Act 191 of 1968, as amended, and Public act 279 of 1909, as amended.
- C. On **November 1, 1995**, a public hearing was held to receive testimony given pursuant to Public Act 191 of 1968, as amended. Notice of said hearing was published and mailed pursuant to Section 8 of Public Act 191 of 1968 as amended.
- D. On **March 26, 1996**, an adjudicative meeting was held during which a supplemental public hearing was scheduled to hear additional testimony regarding specific topics.
- E. On **June 18, 1996**, a supplemental public hearing was held to hear testimony given pursuant to Public act 191 of 1968, as amended. Notice of said meeting was published and mailed pursuant to section 8 of Public Act 191 of 1968, as amended.
- F. On **November 6, 1996**, an adjudicative meeting was held to consider the docket and render a decision.

INFORMATION TO BE NOTICED

- 1. **The township reported:**
 - the 1990 population was 2,528,
 - the land area is 32 square miles,
 - 42 people reside in the proposed annexation area, and
 - the proposed area is 461 acres or .72 square miles.**The city reported:**
 - the 1990 population of the City was 4,141,
 - a land area of 1,585 acres or 2.5 square miles.
- 2. **The city reported:**
 - for 1980-1990 the percentage change in population was:
 - City of Richmond=17.1%
 - Richmond Township=3.1%
 - Macomb County = 3.3%
 - Southeast Michigan = -2.0%,
 - building permits issued in past 3 years totaled: 65 single residential, 19 multiple housing, 7 commercial, 0 industrial,

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1,204 acres residential, 92% used as zoned.

- the proposed area would be zoned Single Family, Multiple Family, and Industrial,
- the Agricultural zoning would change to Residential.

6. The township reported:

- a 1995 tax rate of 1.6338 mills.
- the 1995 state equalized value for real property was \$57,865,900,
- the 1995 state equalized value for personal property was \$7,330,700,
- the state equalized value for the annexation area was \$1,092,000,
- the annexation area contains 56% of the Township's industrial tax base.

The city reported:

- a 1995 tax rate of 24.96 mills,
- the 1995 state equalized value for real property was \$72,391,250,
- the 1995 state equalized value for personal property was \$5,236,100,
- the City's current industrial tax base revenue is 3.17%,
- the average industrial tax base revenue for the county is 9.77% .

7. The Township reported:

- based on estimate of 1996 County tax rates, if the annexation were approved homestead millage will increase from 17.4662 to 40.758 (133%), non homestead would increase from 35.4618 to 58.758 (65%),
- under the 425 Agreement homestead millage would increase to 22.1618 (22%), non homestead would increase to 35.4618 (13%),

The City reported:

- the annexed area will incur installation costs for water & sewer mains inside the area,
- the tax rate will increase from 1.6338 to 24.9600 mills,
- property values will be significantly enhanced.

8. The Township reported:

- public water and sewer service is not provided to the proposed area,
- public water and sewer will be extended to the proposed area pursuant to the 425 Agreement between Richmond and Lenox Townships,
- Phase I of the water main project, Gratiot Road south of 28 Mile to south of 31 Mile, has been let for construction bids.
- Notice to Proceed with construction is scheduled for December 12, 1996.
- Detroit Water & Sewer Department and the Michigan Department of Public Health have granted construction permits for Phase I of the water project.
- the Lenox Twp. Board of Trustees has authorized design of Phase II of the water main, for south of 31 Mile to the Richmond Township and Columbus Township border.
- Construction of the Phase II water main, north from 31 Mile Road along the County line to the Richmond Township border, is scheduled to begin July 11, 1997, and end October 10, 1997,
- it is approximately 6 miles to the sewer line that would serve the area under the 425

Agreement,

- Phase I of the sanitary sewer project, 26 Mile to Gratiot Ave. south of 31 Mile, has been submitted to the Macomb County Public Works Office for approval.
- as of October 8, 1996 the application for construction permit had not been forwarded by to the Detroit Water and Sewerage Department,
- Lenox Township's financial consultant determined that the Township can fund Phase I through the current Water and Sewer Fund revenue,
- Phase II utilities will be funded through developer agreements.

The city stated:

- City water mains vary from 75' to 100' from the proposed area, parallel to the western boundary,
- the cost of extending the water main to the proposed area, as proposed by the 425 Agreement, is \$2.6 million, which is an unnecessary cost since City mains are adjacent to property,
- average present water usage is 25-27 percent,
- the water system is financed by general obligation bonds,
- the tap-in fee for water is \$1,339, \$45 per linear foot for street installation,
- the City owns the water treatment plant,
- since 1989 the City's policy has been that no service will be provided to areas outside the City.
- the sewer line exists parallel to western boundary, and varies from 75' to 100' from the proposed area,
- the sewer system is financed by General Obligation Bonds and special assessments,
- sewer tap-in fees are \$1,135, \$100 per foot for street installation,
- the City of Richmond services the treatment plant which is secondary level, activated sludge,
- the effluent discharges to Farnman Drain, Section 2,
- average sewer system usage is 47% of capacity,
- residents are required to hook up if the sewer line is adjacent to their property.

9. **The City stated:**

- it has 6 full-time and 6 part-time police officers
- Police service is currently provided by the Macomb County Sheriff, and the Michigan State Police Post adjacent to area.
- if the annexation were approved, the station would be ½ mile away.

10. **The City reported:**

- the City currently provides fire protection to the proposed area,
- the City Fire Department has 34 volunteers,
- the Fire Department is financed by special assessment,
- the fire station is ½ -1 mile away from the proposed area,
- fire protection is provided primarily by Lenox Township under the 425 Agreement.
- the Lenox Fire Department is six miles away,
- the City of Richmond has a mutual aid pact with Lenox and Richmond Townships which

requires them to respond to fires in the proposed area if necessary.

11. The Township reported:

- refuse pick up is currently provided through contract with a private firm, the homeowner is billed by the Township,
- the Township has a street light program financed through the general fund,
- emergency medical service is provided through a contract with Lenox Township.

12. The record states that:

- the property description in the 425 Agreement corresponds exactly to the property description in the petition,
- Richmond and Lenox Townships have agreed that the area be conditionally transferred to Lenox Township for 30 years,
- Lenox Township's water supply system is provided through a contract with the City of Detroit,
- the Agreement states that plans to extend water service to the area will begin within a reasonable time according to a timetable that the parties have mutually agreed upon,
- the Agreement states that Lenox Township will extend sewer services as soon as they become financially feasible for the parties,
- the Agreement states that Lenox Twp. will provide water, fire protection, dust control on roads, bridge repair, and library service, with emergency medical service continuing as currently provided.

13. The City stated:

- the Agreement is extremely indefinite as to when services will be provided,
- the engineers have developed a schedule, but there is no contractual obligation upon the parties to follow it.

14. The record states that:

- 100% of residents in the proposed area are opposed to annexation,
- John and Andrea Rowley, nonresident property owners in proposed area, own approximately 15 undeveloped acres and are opposed to annexation,
- Mr. and Mrs. Walter Winkle, nonresident property owners in proposed area, own approximately 60 acres and support the annexation,
- a petition was signed by 220 City residents opposed to the annexation,
- a petition was signed by 164 Richmond Township residents opposed to the annexation,
- a petition was signed by 162 persons residing in other areas opposed to the annexation.

15. The record states that approximately 154 acres of the farmland in the proposed area is enrolled in the Farmland and Open Space Preservation Act Program.

THE COMMISSION FINDS THAT

1. The 425 Agreement does not provide a definite time when utilities will be provided to the proposed area. The record states that extension of services for Phase II of the development is dependent on the request of property owners.
2. The 425 Agreement is not essential to provide services to the proposed area. There are other ways to provide sewer and water services that would be more economical.
3. The Agreement provides a rearrangement of services, but is not necessarily a transfer of jurisdiction.
4. There was no evidence of the transfer of tax and voting records, which would be an indication that a transfer of jurisdiction had taken place.
5. The 425 Agreement was filed with Office of the Great Seal subsequent to the filing of the annexation petition with the Boundary Commission.
6. There is no pending economic development project that pertains to the 425 Agreement.
7. The City did not demonstrate an urgent need to annex such a large area of land.
8. Residents of the City, the area proposed for annexation and residents of adjacent municipalities opposed the proposed action.

IN CONCLUSION, THE COMMISSION FINDS THAT

1. The Commission has considered the record of this docket in accordance with the criteria stipulated under Section 9 of Public Act 191 of 1968, as amended.
2. On November 6, 1996, State Boundary Commissioners VerBurg, Rutledge, and Walker and Macomb County Boundary Commissioner Calka held an adjudicative meeting during which:
 - Commissioners VerBurg, Rutledge, and Walker voted not to recognize the Public Act 425 Agreement between Richmond and Lenox Townships because the Agreement did not provide for a full transfer of jurisdiction and it was not associated with an economic development project.
 - Commissioner Calka voted nay,
 - Commissioners Rutledge, Walker, and Calka voted to deny the annexation of the subject territory as petitioned and described herein,
 - Commissioner VerBurg abstained, and
 - the staff was directed to prepare draft Findings of Fact and Order.

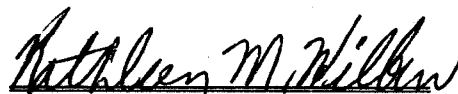
3. On **December 17, 1996**, Commissioners VerBurg, Rutledge, Walker, and Calka held an adjudicative meeting during which
 - the draft Findings of Fact and Order was reviewed, and
 - the Commission voted to adopt the Findings of Fact [with amendments] and recommend that the Director of the Department of Consumer and Industry Services sign the Order.

ORDER

DOCKET #95-AR-3

IT IS ORDERED THAT these Findings of Fact and Order denying the annexation of certain territory in Richmond Township into the City of Richmond shall be final and effective on the date this order is signed by the Director of the Department of Consumer & Industry Services.

IT IS FURTHER ORDERED THAT the Executive Director shall forthwith transmit a certified copy of these Findings of Fact and Order to the clerks of the City of Richmond, Richmond Township, and Macomb County.



Kathleen M. Wilbur, Director
Consumer & Industry Services

April 15, 1997
Date